



General Assembly

February Session, 2014

## Substitute Bill No. 80



### **AN ACT PROHIBITING INTERNET SWEEPSTAKES CAFES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 42-295 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective July 1, 2014*):

3 As used in sections 42-295 to 42-300, inclusive, and section 2 of this  
4 act:

5 (1) "Advertise" means the use of the media, mail, computer,  
6 telephone or personal contact to offer: (A) [to] To a specifically named  
7 person the opportunity to participate in a sweepstakes and such offer  
8 represents that (i) such person has been awarded a prize, (ii) such  
9 person will be awarded a prize, or (iii) there is a strong likelihood, as  
10 determined pursuant to regulations adopted by the Commissioner of  
11 Consumer Protection in accordance with chapter 54, that such person  
12 will be awarded a prize; or (B) a game of skill and such offer represents  
13 that (i) a participant will be awarded a prize, or (ii) there is a strong  
14 likelihood, as determined pursuant to such regulations, that a  
15 participant will be awarded a prize;

16 (2) "Consumer product" means any article used primarily for  
17 personal, family or household purposes;

18 (3) "Person" means an individual, corporation, association,  
19 partnership or any other entity;

20 (4) "Prize" includes, but is not limited to, an award, gift certificate,  
21 travel coupon or anything else of value regardless of whether there are  
22 any conditions or restrictions attached to the receipt of the prize that is  
23 separate and distinct from the goods, services or property promoted  
24 by the sponsor and that is offered or awarded to a participant in a  
25 sweepstakes or a promotional drawing;

26 (5) "Promoter" means a person conducting a sweepstakes or a  
27 promotional drawing on behalf of a sponsor;

28 (6) "Simulated check" means a document which looks similar to a  
29 check but is not currency or a check, draft, note, bond or other  
30 negotiable instrument;

31 (7) "Sponsor" means a person on whose behalf the sweepstakes or  
32 promotional drawing is being conducted to promote or advertise  
33 goods, [or] services or property of that person;

34 (8) "Sweepstakes" means a legal contest, competition, scheme, plan  
35 or game that (A) is conducted by a sponsor or promoter for advertising  
36 or promotional purposes related to the sale of goods, services or  
37 property where a prize is distributed by lot or by chance, and (B) does  
38 not require a permit or license to operate in the state;

39 (9) "Verifiable retail value" means: (A) A price at which a substantial  
40 number of the prizes have sold at retail in the local market no earlier  
41 than one year prior to the advertisement of the sweepstakes by a  
42 person other than the promoter or sponsor; (B) if the prize is not  
43 available for retail sale in the local market, the retail value of an item  
44 substantially similar to the prize in quality, quantity, grade and utility;  
45 or (C) if the value cannot be established under subparagraph (A) or (B)  
46 of this subdivision, no more than three times the cost of the prize to the  
47 promoter or sponsor; [and]

48 (10) "800 number" means a prefixed telephone number for which no  
49 charge is assessed; [.]

50     (11) "Simulated gambling device" means any mechanically,  
51     electrically or electronically operated machine, network, system or  
52     device that is intended to be used by an entrant to a sweepstakes or a  
53     promotional drawing and is capable of displaying a simulated  
54     gambling display on a screen or mechanism; and

55     (12) "Simulated gambling display" means visual or aural  
56     information that takes the form of actual or simulated gambling or  
57     gaming play, including, but not limited to, a video poker game or any  
58     other kind of video playing card game, a video slot machine, a video  
59     game based on or involving the random or chance matching of  
60     different pictures, words, numbers or symbols, a video bingo game, a  
61     video craps game, a video keno game or a video lotto game.

62     Sec. 2. (NEW) (*Effective July 1, 2014*) (a) No person shall conduct or  
63     promote a sweepstakes or a promotional drawing authorized by the  
64     provisions of section 53-278g of the general statutes, as amended by  
65     this act, that (1) is not related to the bona fide sale of goods, services or  
66     property, or (2) uses a simulated gambling device.

67     (b) Any person who violates the provisions of this section shall be  
68     subject to the penalty for professional gambling, as provided in  
69     subsection (b) of section 53-278b of the general statutes.

70     (c) Any simulated gambling device used in a sweepstakes or a  
71     promotional drawing shall be deemed a common nuisance and be  
72     subject to seizure, as provided in section 53-278c of the general  
73     statutes.

74     (d) Any premises used for a sweepstakes or a promotional drawing  
75     in violation of the provisions of this section shall be deemed a common  
76     nuisance and shall be subject to the provisions in section 53-278e of the  
77     general statutes.

78     Sec. 3. Subsection (a) of section 53-278g of the general statutes is  
79     repealed and the following is substituted in lieu thereof (*Effective July*  
80     *1, 2014*):

81 (a) Nothing in sections 53-278a to 53-278g, inclusive, as amended by  
 82 this act, shall be construed to prohibit the publication of an  
 83 advertisement of, or the operation of, or participation in, a state lottery,  
 84 pari-mutuel betting at race tracks licensed by the state, off-track betting  
 85 conducted by the state or a licensee authorized to operate the off-track  
 86 betting system, [or] a promotional drawing for a prize or prizes,  
 87 conducted for advertising purposes by any person, firm or corporation  
 88 other than a retail grocer or retail grocery chain, wherein members of  
 89 the general public may participate without making any purchase or  
 90 otherwise paying or risking credit, money, or any other tangible thing  
 91 of value or a sweepstakes conducted pursuant to sections 42-295 to 42-  
 92 300, inclusive, as amended by this act, and section 2 of this act.

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2014	42-295
Sec. 2	July 1, 2014	New section
Sec. 3	July 1, 2014	53-278g(a)

**Statement of Legislative Commissioners:**

In sections 1(8) and 2(a), "a product, service or property" was changed to "goods, services or property" for statutory consistency.

**PS**

*Joint Favorable Subst.-LCO C/R*

JUD